

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL
COMMISSION MINUTES
MAY 9, 2003**

The following narrative and summary highlights actions taken by the North Carolina Alcoholic Beverage Control Commission at its regular meeting on May 9, 2003. The meeting was tape-recorded and the tape is on file at the ABC Commission/Legal Division.

ROLL CALL

Acting Chair Ann Scott Fulton was present for the meeting, along with Commissioner Ricky Wright and Commissioner Mike Joyner.

MINUTES OF MARCH 14, 2003 MEETING

The Chairman asked Commission Member Ricky Wright and Commission Member Mike Joyner if they had any corrections or additions regarding the Commission minutes from the April 11, 2003, meeting. Commissioner Wright and Commissioner Joyner had no corrections or additions. The Chairman made a motion to approve and waive the reading of the minutes into the record. Seconded by Commissioner Joyner. So Ordered.

EXECUTIVE ORDER REGARDING CONFLICTS OF INTEREST

As required by Executive Order Number One, the Chairman asked Commissioner Wright and Commissioner Joyner if there were any known conflicts of interest or any conditions or facts that might create the appearance of a conflict of interest with respect to any matters on the Agenda. Commissioner Wright and Commissioner Joyner stated that they had no conflicts of interest. The Chairman stated she found no conflicts of interest with regard to herself.

I. HEARING CASES – 63 listed.

Chief Deputy Counsel Fred Gregory stated that case #1; E & J Millenium was the only contested case on the agenda today. Assistant Counsel Tim W. Morse was the attorney for this case. The Chairman asked what was the underlining violation. Mr. Morse presented the Commission with copies of the violation. Mr. Morse stated that the administrative law judge granted our motion for sanctions, but did not recommend a penalty. Mr. Morse asked the Commission to bear in mind the violations and how difficult it is to get in contact with the permittee. Mr. Morse said that he recommended revocation in this case. The Chairman made a motion that the recommended decision be adopted with regard to the findings of fact and conclusions of law and that the Commission order revocation of the permits. Seconded by Commission Joyner. So Ordered.

Commissioner Joyner asked Mr. Morse how permittee's are contacted. Mr. Morse stated that the mail is sent certified with the address that the permittee provides to us. He further stated that many times the addresses are not correct, phone numbers have changed and that makes it extremely difficult to get in contact with them.

Chief Deputy Counsel Fred Gregory stated that there were two people present for two separate cases that wanted to be heard. The first case is #27- Coach's Sports Bar and Grill, a 1ST offense case and Mr. Shane Rogers, General Manager, was present to speak on behalf of the establishment. Mr. Rogers stated that the business had been in operation for eight years and that this was the first time a violation had occurred. He further stated that since this violation, all of the employees had been certified in a "Tips" program. He stated that he recognized that it happened and is not disputing that fact, but since it is their first violation in eight years, he asked the Commission if they would consider dismissing the case or giving some leniency in the fine. The Chairman asked Mr. Rogers if they had just received permits in December. Mr. Rogers stated that they had an ownership change. The previous owner is still a part of the organization, still works management shifts and still gives consultation. But the permits did change names in December. Commissioner Joyner asked Mr. Rogers if he was the manager when the violation occurred. Mr. Rogers stated that he was not the manager then. The Chairman stated that in order for the Commission to be consistent with all the permittees, she wasn't sure if she could go along with any type of mitigation. The Chairman moved to ratify the offer. Seconded by Commissioner Joyner and Commissioner Wright.

Chief Deputy Counsel Fred Gregory stated that Mr. Mark Lyle King, was present to speak on behalf of his business, case #43 GSO Warehouse. He stated that he was present to offer an apology on behalf of the behavior of his employee. He further stated that he and his wife took this matter very seriously and are working to better train their employees. Mr. King said that they would pay whatever penalty the Commission decides. The Chairman made a motion that the penalty and offer and compromise be accepted and ratified. Seconded by Commissioner Wright and Commissioner Joyner.

Assistant Counsel Tim Morse brought a letter up to the Commission regarding case #5- Mikes Knightdale Amoco. The permittee had written a letter to the Commission regarding the violation and wanted the Commission to have it. The letter stated that the employee had rung up the sale wrong. He was looking at the dates for cigarette sale instead of for alcohol sale. This case was part of an under cover sting. The Chairman stated that she moved to ratify the offer. Seconded by Commissioner Joyner. So Ordered.

REMAINING OFFERS IN COMPROMISE

The Chairman made a motion to accept all offers in compromise. Seconded by Commissioner Joyner. So Ordered.

The following is a list of violation cases, in which Orders were signed by the Chairman on May 9, 2003, pursuant to the Commission's authorizing resolution dated November 8, 2002:

Café de France – 1121 Military Cutoff Road – Suite A, Wilmington, NC 28405
Courtyard Marriott – 151 Van Campen Boulevard, Wilmington, NC 28403
J Butlers Bar and Grill – 3815 Tinsely Drive, High Point, NC 27265
Juggs Tavern – 141 South Marine Boulevard, Jacksonville, NC 28540
Lowes Foods 198 – 3216 North College Road, Wilmington, NC 28405
Park 51 Café – 10703 Park Road Ext Box 7, Charlotte, NC 28210
SE Food Mart 4 – 6126 Oleander Drive, Wilmington, NC 28403
Shaffer's Amoco – 873 South Broadway Street, Forest City, NC 28043
Summer Palace, Inc. – 3402 Arendell Street, Morehead City, NC 28557
V I P Club – 3208 Highway 17 South, Forest City, NC 28043
Winn Dixie 2068 – 668 South Broadway, Forest City, NC 28043
Community Stop 5 – 700 Highway 401, Laurinburg, NC 28352
Don's Corner Mart – 200 East Weeks Circle, Newton, NC 28366
Duck Thru Food Store 16 – 103 East Highway 158, Camden, NC 27921
Han Dee Hugos 4 – 300 North East Boulevard, Clinton, NC 28328
Han Dee Hugos 10 – Highway 701 Business South and Rowan Road, Clinton, NC 28328
Monterrey Mexican Restaurant 66 – 1001 East WT Harris Boulevard. – Suite. A, Charlotte, NC 28213
Pep Mart – 527 South East Boulevard, Clinton, NC 28328
Red Apple Market 27 – 110 East Ehringhaus Street, Elizabeth City, NC 27909
Red Apple Market 29 – 444 South Hughes Boulevard, Elizabeth City, NC 27909
Short Stop 19 – 1907 Ramsey Street, Fayetteville, NC 28302
TGI Fridays – 409 West WT Harris Boulevard, Charlotte, NC 28262
Texas Ranch Steakhouse and Saloon – 1310 West Sugar Creek Road, Charlotte, NC 28262
Trade Mart 32 – 1129 North Road Street, Elizabeth City, NC 27907
Beach Pantry – 102 East Dolphin Street Southeast, Oak Island, NC 28465
Beverage Barn – 6235 East Oak Drive, Long Beach, NC 28465
Coach's Sports Bar and Grill – 10403 Park Road, Charlotte, NC 28210
Gator Hole – 2701 River Road Southeast, Winnabow, NC 28479
Han Dee Hugos 7 – Hwy 133 and 211 Long Beach Road, Southport, NC 28461
Olde Brunswick General Store – 1450 Fifty Lakes Drive, Boiling Spring Lakes, NC, 28461
Pizza Hut 2570 – 112-A Village Road, Leland, NC 28451
Szechuan Panda – 112-J Village Road, Leland, NC 28451
Buffalos Bar and Grille – 3165 Garden Road, Burlington, NC 27217

Carrabbas Italian Grill – 1520 South Boulevard Suite 100, Charlotte, NC 28203
Daniel Brook Town Store – 400 Henley Street, High Point, NC 27260
F and J Food Store 6 – 421 Riceville Road, Asheville, NC 28805
Grady's American Grill 25 – 3011 High Point Road, Greensboro, NC 27403
Liberty Steakhouse and Saloon – 914 Mall Loop Road, High Point, NC 27262
Lone Star Steakhouse and Saloon – 3101 North Sharon Amity Road, Charlotte, NC 28205
Piggly Wiggly 34 – 2105 Dickinson Avenue, Greenville, NC 27834
Short Stop Food Mart 50 – 900 Denim Drive, Erwin, NC 28339
Super Mart – 925 South 13th Street, Erwin, NC 28339
Trade Mart 36 – 10816 Highway 55, Grantsboro, NC 28529

II. J. A. Jones, Contractor, ABC Warehouse – Request to Extend Contract Period. Commissioner Ricky Wright recused himself from the decision regarding the contract. Administrator Michael Herring gave some background history for Commissioner Joyner regarding the J. A. Jones contract. He stated that the Commission in the February 12, 2001 meeting determined that it was in the best interest of the state and the North Carolina ABC System to place the ABC Warehouse contract out for competitive bids and develop a new request for proposal for the receipt storage, handling and transportation of spirituous liquor in North Carolina. In April of 2001, three companies submitted proposals that conformed with the new requirements of the new RFP and copies of the technical proposals were distributed to the Commissioners. After considering the proposals, the Commission adopted a resolution in June of 2001, awarding the contract to J. A. Jones Management Services Inc. of Charlotte, NC. It was a three-year contract with 14 months presently being left on the contract. On April 2, 2003, a letter was received from Michael Kubal, Vice President of J. A. Jones Global Services LLC, requesting an extension, so that the contractual services continue as planned.

Present to speak in regard to the extension of the contract was Wilbert Castanota, Project Manager, Andy Woodleaf, Assistant Project Manager and Art Fitzgerald, Accounts Manager for J. A. Jones. Mr. Fitzgerald stated that J. A. Jones was requesting a ten-year extension on their contract. He stated the reason being the minimization of disruption of service between the ABC Commission and their employees. He further stated that the Global Services Group, along with Lockwood Green is stable. He said that the intention of J. A. Jones is to focus their resources on those two groups, the core groups that are strong and profitable. The Chairman asked if J. A. Jones Incorporated was the company that had filed for bankruptcy. Mr. Fitzgerald stated that it was not the same company. The company that filed for bankruptcy was Phillip Holdsmen. The Chairman asked if the holding company was the one that had filed for bankruptcy, how would that potentially affect the contract or Global Services LLC. Mr. Fitzgerald stated that there would be no affect on the contract or Global Services because J. A. Jones recognizes that value of the Services Group and wants to maintain that and continue to be profitable. The Chairman asked about

the upgrades that were mentioned in the letter. Mr. Fitzgerald stated that "Crego System" is being tested now to see of the web capability, so that they could get rid of paper and put orders online. The Chairman asked if he could give an estimate of what they were looking at. He stated that he could give a ballpark figure of about \$300,000.00 to do the upgrades and about \$250,000.00 for 5 trucks and trailers.

The Chairman asked what was J. A. Jones position if they did renegotiate for an extended amount of time. Assistant Administrator Mike Herring stated that J. A. Jones was eligible to ask for a compensation adjustment, but did not because of the budget problems of the state and because economy. They will be eligible again in July unless the Commission extends their contract. If the Commission were extend the contract it wouldn't be until a year before they could ask for another extension. The Chairman stated that she would like to authorize Michael Herring to enter into discussions with J. A. Jones about the extension. The Chairman stated that she wasn't comfortable extending the contract past three years.

III. Exemption Request for Advertising Agreement between Anheuser-Busch Inc. and Charlotte Auditorium-Coliseum-Convention Center Authority fir Signage Advertising at Cricket Arena. The Chairman stated that the Anheuser-Busch contract for the signage of the 2001-2002 has been up and they are asking that the Commission approve it retroactively. The Authority was not provided any information regarding the signage. The Chairman made a motion to grant the exemption. Seconded by Commissioner Joyner. So Ordered.

IV. Exemption Request for Advertising Agreement between Anheuser-Busch Inc. and Charlotte Auditorium-Coliseum-Convention Center Authority for Signage Advertising at Charlotte Coliseum. The Chairman stated that the Cricket Arena has not received payment under this agreement and that they have seven signs. The Chairman made a motion to grant the exemption. Seconded by Commissioner Joyner. So Ordered.

Chief Deputy Counsel Fred Gregory stated that the permittee for Quick Stop, which was on the April Commission, was present and was asking for the effective date to be changed so that he would have more time to pay the fine. The Chairman made a motion to resend the April 11, 2003 order and to change the due date to June 5, 2003 and the suspension to begin June 6, 2003. Seconded by Commissioner Joyner. So Ordered.

V. OTHER BUSINESS

No other business, new or old, was heard. The Chairman made a motion to adjourn the meeting. Seconded by Commissioner Wright. So ordered.

With no further business, the meeting adjourned.

Ann Scott Fulton, Acting Chair
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by

Tiffany C. Goodson, Legal Division